

## Intellect revenue registers 27% YoY growth in LTM Q2FY23; Platform revenue registers 62%YoY growth

- Launched 2 AI-based Platforms - Magic Invoice and iESG
- 14 new Customers have chosen Intellect's Digital stack for their Digital transformation, including 9 Customers who have chosen Intellect platforms in Q2 FY 23

**Chennai (India), October 28, 2022:** Intellect Design Arena Ltd, a cloud-native, future-ready, multi-product FinTech company for the world's leading Banking and Insurance clients, announced its second-quarter results for FY23 today.

### I. Financial Performance

#### LTM Q2 FY23 - Financial Highlights

##### Revenue:

- Total Revenue LTM Q2 FY23 stood at INR 2087 Cr as against INR 1640 Cr in LTM Q2 FY22 - grew 27% YoY.

##### Platform, License and AMC Revenue:

- Platform revenue of LTM Q2 FY 23 is INR 448 Cr as against INR 276 Cr in LTM Q2 FY22 - grew 62% YoY
- License Revenue of LTM Q2 FY23 is INR 338 Cr as against INR 342 Cr in LTM Q2 FY22
- AMC Revenue of LTM Q2 FY23 is INR 346 Cr as against INR 311 Cr in LTM Q2 FY22 - grew 11% YoY
- License linked revenue (License + Platform + AMC) is INR 1132 Cr in LTM Q2 FY23 as against INR 929 Cr in LTM Q2 FY22 - grew 22%YoY
- Annual Recurring Revenue - ARR (on annualised basis) is at INR 794 Cr in LTM Q2FY23 as against 587 Cr in LTM Q2FY22 - grew 35% YoY

##### Gross Margin and EBITDA

- Gross Margin is INR 1166 Cr in LTM Q2 FY23 as against INR 931 Cr in LTM Q2 FY22.
- EBITDA is INR 455 Cr in LTM Q2 FY23 as against INR 417 Cr in LTM Q2 FY22.

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- Net Profit is INR 311 Cr in LTM Q2 FY23 as against INR 314 Cr in LTM Q2 FY22

#### Q2 FY23 - Financial Highlights

##### Revenue:

- Total Revenue Q2 FY23 stood at INR 528 Cr as against INR 452 Cr in Q2 FY22 - grew 17% YoY.

##### Platform, License and AMC Revenue:

- Platform revenue of Q2 FY 23 is INR 119 Cr as against INR 90 Cr in Q2 FY22 - grew 33% YoY
- License Revenue of Q2 FY23 is INR 68 Cr as against INR 86 Cr in Q2 FY22
- AMC Revenue of Q2 FY23 is INR 90 Cr as against INR 81 Cr in Q2 FY22 - grew 10% YoY
- License linked revenue (License + Platform + AMC) is INR 277 Cr in Q2FY23 as against INR 257 Cr in Q2 FY22 - grew 7% YoY

- Annual Recurring Revenue - ARR (on annualised basis) is at INR 836 Cr in Q2 FY23 as against INR 684 Cr in Q2 FY22 - grew 22% YoY

### Gross Margin and EBITDA

- Gross Margin is INR 276 Cr in Q2 FY23 as against INR 262 Cr in Q2 FY22.
- EBITDA is INR 84 Cr in Q2 FY23 as against INR 118 Cr in Q2 FY22.
- EBITDA excluding ESOP cost is INR 96 Cr, i.e.18% of the revenue.

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- Net Profit is INR 46 Cr in Q2 FY23 as against INR 79 Cr in Q2 FY22

### Collections and Net DSO

- Collections for Q2 FY23 are INR 472 Cr as against INR 347 Cr in Q2 FY22.
- Total Days of Sales Outstanding (DSO) is 128 days - Global business excluding India stood at 115 days in Q2 FY23 and India DSO stood at 164 days.
- Cash and Cash Equivalent is INR 501 Cr in Q2 FY23 as against INR 257 Cr in Q2 FY22

### Deal Wins and Digital Transformations

- Deal Wins: 14 new Customers have chosen Intellect's Digital stack for their Digital transformation, including 9 Customers who have chosen Intellect platforms
- Digital Transformations (Go-Lives): 14 Global Financial institutions have transformed their Digital journey on Intellect Platforms and Product stack.

## II. Management Commentary



**Arun Jain, Chairman and Managing Director, Intellect Design Arena Limited,** said, "In spite of the current market uncertainty driven by high inflation rates and currency volatility, we have delivered a 27% YoY revenue growth for LTMQ2FY23. We also have a visibility of an annual growth of 20% for FY23. We continue to be excited about our journey on cloud-based platforms as we launch new ones and mature the existing ones. This new business in conjunction with our product businesses provides us an opportunity to continue to grow our company. We view each of these platforms as an equivalent of a fintech with a large TAM and an extreme focus on delivering value for its customers by leveraging our superior market leading MACH technologies."



**Venkateswarlu Saranu, Chief Financial Officer, Intellect Design Arena Limited,** said, "Our platform revenue on LTM basis has grown 62% over last year, while during the same period, our ARR on LTM basis has grown over 35%. Both of these are very important metrics in our business model demonstrating growth on an annualized and sustained basis. During the last couple of quarters, we as an Industry have seen an increase in talent costs and invested in expanding platform business as well, which has impacted our profits. We are seeing some early trends in stabilization of the talent costs. We continue to be excited about the market opportunity and are positioning our company for growth on a sustained basis."

### III. Intellect's Products and Platforms drive accelerated Digital transformation

#### Deal Wins in Q2 FY 23

Intellect's suite of 10 composable and contextual Products, and 7 platforms have won 14 new Customers who have chosen Intellect's MACH compliant - Microservices based, API-led, Cloud-ready, with Headless option - Digital stack for their Digital transformation. Of these, 9 Customers have chosen Intellect platforms.

#### 9 Platform Deal wins

Some of the significant deals are:

- ***Foresight—the tech-enabled Workers Compensation MGU*** that sees a future where workplace injuries are a thing of the past—recently signed to use Intellect's AI-powered, full suite of underwriting platform. The use of the IntellectAI products (Magic Submission, Risk Analyst and Xponent) will enable Foresight to automate the quote intake process intelligently, and leverage data for submission prioritisation and risk selection.
- A top 4 bank in Saudi Arabia signed up Cash Power Cloud, continuing to extend their trust with #1 ranked transaction banking FinTech player (by IBSI), Intellect. This is the 2nd major CashCloud Digital Transformation deal in the KSA region.
- The first Egyptian Islamic and commercial bank set to revolutionise Egypt's digital banking experience with Intellect Global Consumer Banking's Digital banking marketplace with lifestyle banking.
- iESG, a global ESG platform from Intellect AI designed for financial institutions, has been chosen by one of the worlds largest sovereign wealth funds and a top-tier UK wealth manager - collectively overseeing over \$1.2tn in assets under management.
- A leading North America insurance technology company helping commercial insurance brokers and carriers accelerate workflows through its open data platform selects Intellect's Magic Submission to turn broker submissions into fully structured carrier opportunities.
- A FinTech company licensed by the Saudi Central Bank as the first company to provide micro-financing services to consumers across the Kingdom has chosen Intellect Debt Management platform (IDM), iTurmeric and ARX.

#### 5 Product Deal Wins

- A top 3 UK Bank signed up for Payments to enable their customers for Real-time local Payments Solutions.
- A top 10 Canadian bank signed up for Payments to enable their customers for Payment Tracking & Real Time Rail and PSH-C Release 3.0 Web Logic & Non-Intrusive Ops Release.
- A top 3 bank in UAE signed up for Mobility Upgrade for better UX continuing to extend their trust with #1 ranked transaction banking FinTech player (by IBSI), Intellect.
- Intellect Global Consumer Banking has signed a boutique bank in Africa to deliver standard core, treasury, lending, AML, FAMS and IBMB using Intellect Digital core.
- One of the fastest-growing private wealth management firms in India has chosen Intellect's digital wealth platform to accelerate business expansion and improve operational efficiencies through STP.

## Digital Transformations in Q2 FY23

In this Quarter, 14 Global Financial institutions have transformed their Digital journey on Intellect Product stack. Intellect could achieve this transformation in complex applications 25% faster than other players in the market because of its 300+ fine-grained Packaged Business Components (PBCs), 900+ APIs and low code, accelerated and predictable implementation technology - iTurmeric that replaces coding with configuration.

- A Top 3 Bank in UK went live with Liquidity - Continuing with the 'trusted partner' relationship for over a decade, a top 3 US Bank went live with liquidity enhancements.
- The Largest Commercial Bank in Saudi went live with Cash Power.
- One of Europe's Leading E-Commerce Entities went live with Intellect's Digital Lending solution to completely digitise their credit Business.
- One of the largest banks in the Gulf region with over \$118 billion in assets and presence in 12 countries has gone live with Intellect Debt Management to optimize their collection process while enhancing customer experience.
- A Top 6 Malaysian Islamic bank went live with Account Services.
- A Top 6 Bank in Jordan went live with Account Services & Payments.
- A Top 3 bank in Qatar went live with Cash Power. Live now in 13 Countries.
- Fastest go-live at a central bank in Oceania, replacing their legacy system with a fully functional and function-rich treasury system, Capital Cube, in just 11 months.
- A leading bank in UAE transformed its core banking and digital experience by leveraging IDC. The bank has been partnering with Intellect Global Consumer Banking consistently for various banking solutions.
- The leading ASEAN universal bank went live with Intellect's Regional Wealth Management System.

## IV. Qualitative Commentary

Last year's story of moving from Product to Platform is exciting. In just 12 months, Intellect launched 6 platforms that have added to enhanced ARR along with license-based revenues as articulated during Technology Day II session held in December 2021.

1. The early investments in DATA resulted in the launching of 3 AI-based platforms
  - **Magic Submission**, a complete AI/ML based Underwriting platform in the US. It is a cognitive information extraction, validation and enrichment platform, in which extracts contextually relevant information from bundles of unstructured, semi-structured and structured sources using AI technologies including pipelines of computer vision, NLP, machine/deep learning and OCR.
    - Has signed up 5 customers in the last 6 months in AWS. Competing against Ground Speed.
  - **Magic Invoice**, the world's first NO TOUCH invoice processing solution today on AWS in India. The solution is powered by AI, NLP & ML. Magic Invoice is contextual and continuously learns, adapts and integrates well with existing technology ecosystems to automate end-to-end or Email2ERP invoice processing with complete ease.
    - Very large TAM competing against ABBY and Rossum. Signed 3 large customers in the last 4 months of launch

- **iESG**, is the latest platform launched on its Fabric Data services for the very large ESG space for investment banks in Europe and the Americas. It is an AI-powered solution for institutional investors, asset managers, corporate banks, and insurance carriers. iESG brings together the benefits of all market-wide data sources and real-time media coverage into a single, composable and contextual ESG data catalogue, with supporting raw data, assessment tools and dashboards for financial companies to integrate into their own business.
  - Intellect won the order from the largest Fund in Europe against all AI/ML data providers.
- 2. iGTB launched a new Platform under the larger theme of Consumerisation of Commercial Banking (COCB)-BANKING-AS-A-SERVICE. This enables GTB to expand its business space from Liquidity, Payments, Trade and Supply Chain Finance to the very hot space of enabling the US, Canadian and European banks. The platform launched at SIBOS 22 has received a very encouraging response generating over 25 leads. With the interest rates rising, the Liquidity product is working with a larger funnel for the coming quarters.
- 3. iGCB's differentiated MACH architecture of Core banking IDC 22 is gaining momentum in the Europe market where clients are looking at Core banking migration to the Cloud. Intellect is now able to establish its leadership with Thought Machine - A newly highly invested company and Temenos on the other side. During the last 6 months, Intellect Core Banking with its Digital banking suite has participated in more than 5 large deals in Europe and Canada. The existing platform Quantum, Credit card and iKredit 360 are leading in their segments.
- 4. The Technologies for Wealth space are growing. After signing SBI and customers in Malaysia, Indonesia, Thailand, Intellect WealthQube has signed one of the fastest-growing private wealth management firms in India as a new logo this quarter.

## V. Leadership Position Endorsed by Market Leading Analysts

- Intellect Design globally rated as a "LEADER" in Forrester Wave Digital Banking Processing Platforms for Retail Banking and Corporate Banking
- Intellect Design - Digital Core listed as "Top 5 Club" for MEA and Mature Asia/ Pacific Markets in Gartner Report: Core Banking Selection Criteria That Matter
- Intellect Wealth Platform has been identified as "Contender" in ISG Provider Lens™ Quadrant study on "Digital Banking Technology and Platforms - 2022"
- Intellect Digital Payment Processing Platform has been identified as "Product Challenger" in ISG Provider Lens™ Quadrant study on "Digital Banking Technology and Platforms - 2022"
- Intellect is mentioned as "Market Share Leaders" in Loan Origination, Loan Servicing, Loan Collections-Recovery, Lending Market Categories -- Home Mortgage, Equity, Personal Loans, Auto Loans, BNPL White Label for Banks, Small Business Working Capital & Business Asset Financing; Accts-Rec; Equipment Loans
- Intellect Underwriting Solution cited as sample vendors in Gartner's Hype Cycle for Digital Life and P&C Insurance, 2022 for Digitally Engineered Underwriting

## Financial Results for the Second Quarter Ended – September 30, 2022

Additional Information on function wise classification of the statement of Profit and Loss of the Group (Consolidated Audited)

INR Crs.

PARTICULARS	QUARTER ENDED		HALF-YEAR ENDED		LTM ENDED		YEAR ENDED	
	Sept 30, 2022 (Q2 FY 23)	Sept 30, 2021 (Q2 FY 22)	Sept 30, 2022 (H1 FY 23)	Sept 30, 2021 (H1 FY 22)	Sept 30, 2022 (LTM Q2FY23)	September 30, 2021 (LTM Q2FY22)	March 31,2022 (FY 22)	March 31, 2021 (FY 21)
<b>TOTAL INCOME</b>	<b>527.54</b>	<b>452.14</b>	<b>1,068.84</b>	<b>860.49</b>	<b>2086.54</b>	<b>1,640.25</b>	<b>1,878.19</b>	<b>1497.46</b>
<b>EXPENDITURE</b>								
Software development expenses	251.64	190.32	491.95	369.11	920.44	708.95	797.60	664.59
<b>Gross Margin</b>	<b>275.9</b>	<b>261.82</b>	<b>576.89</b>	<b>491.39</b>	<b>1166.09</b>	<b>931.30</b>	<b>1,080.59</b>	<b>832.87</b>
<b>Gross Margin %</b>	<b>52%</b>	<b>58%</b>	<b>54%</b>	<b>57%</b>	<b>56%</b>	<b>57%</b>	<b>58%</b>	<b>56%</b>
SG & A expenses	149.43	115.31	293.60	220.24	562.94	414.62	489.78	383.61
R & E expenses	42.50	28.32	82.33	52.52	148.55	99.41	118.74	93.32
<b>TOTAL EXPENDITURE</b>	<b>443.57</b>	<b>333.95</b>	<b>867.87</b>	<b>642.07</b>	<b>1,631.92</b>	<b>1,222.98</b>	<b>1,406.12</b>	<b>1,141.51</b>
<b>EBITDA</b>	<b>83.97</b>	<b>118.19</b>	<b>200.97</b>	<b>218.42</b>	<b>454.61</b>	<b>417.27</b>	<b>472.06</b>	<b>355.95</b>
Depreciation & Amortisation	(29.45)	(23.69)	(57.53)	(46.38)	(108.71)	(84.85)	(97.56)	(76.71)
Finance Charges	(0.80)	(1.19)	(2.07)	(2.35)	(3.99)	(5.04)	(4.27)	(9.17)
Fx Reins. (loss)/gain	0.28	(5.80)	3.01	(1.21)	7.38	(0.45)	3.16	2.81
Other Income / Expense	7.93	2.57	10.53	9.33	39.63	25.80	38.42	15.35
<b>Profit / (Loss) before tax</b>	<b>61.92</b>	<b>90.08</b>	<b>154.91</b>	<b>177.81</b>	<b>388.92</b>	<b>352.73</b>	<b>411.82</b>	<b>288.22</b>
Provision for taxation	(16.16)	(10.83)	(40.37)	(24.84)	(78.27)	(38.78)	(62.74)	(25.45)
<b>PROFIT / (LOSS) AFTER TAX</b>	<b>45.77</b>	<b>79.24</b>	<b>114.54</b>	<b>152.97</b>	<b>310.65</b>	<b>313.95</b>	<b>349.08</b>	<b>262.77</b>

**Investor Conference Call**

The Board of Directors of Intellect Design Arena Limited met on **28th October 2022**, to take on record the financial results of the company for Q2 FY 23, which ended on September 30, 2022.

Intellect Design Arena Ltd. will host an Investors Conference Call on **October 28, 2022**, where the Senior Management of Intellect will comment on the company’s performance during Q1 FY23 and respond to questions from participants. **The conference call will take place at 17:00 Hrs IST on Friday, 28th October, 2022**

**Conference Name** : Q2 FY23 - Investor Earnings call  
**Date** : 28th October 2022  
**Time** : 05:00 PM to 06:00 PM IST

Please register through the link below to take part in this call.

**Registration link:** [https://us06web.zoom.us/webinar/register/WN\\_57t9fGe9TLWvkINdK0HPLA](https://us06web.zoom.us/webinar/register/WN_57t9fGe9TLWvkINdK0HPLA)

After registering, you will receive a confirmation email containing information (including the link) about joining the webinar.

**Please Note:**

- 1) Join the ZOOM Link by 04:55 PM IST on 28th October 2022
- 2) Login with your name and company name
- 3) Investors can raise their hand during the Q&A Session given at the bottom centre of the screen

**About Intellect Design Arena Limited**

Intellect Design Arena Ltd. has the world’s largest cloud-native, API-led microservices-based multi-product FinTech platform for global leaders in Banking, Insurance and Capital Markets. It offers a full spectrum of banking and insurance technology products through its four lines of businesses - Global Consumer Banking, Global Transaction Banking (iGTB), Risk, Treasury and Markets, and Insurance. With over 25 years of deep domain expertise, Intellect is the brand that progressive financial institutions rely on for their digital transformation initiatives.

Intellect pioneered Design Thinking to create cutting-edge products and solutions for banking and insurance, with design being the company’s key differentiator in enabling digital transformation. FinTech 8012, the world’s first design center for financial technology, reflects Intellect’s commitment to continuous and impactful innovation, addressing the growing need for digital transformation. Intellect serves over 270 customers through offices in 57 countries and with a diverse workforce of solution architects and domain and technology experts in major global financial hubs around the world. For further information on the organisation and its solutions, please visit [www.intellectdesign.com](http://www.intellectdesign.com).

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